

CITY COUNCIL AGENDA REPORT

SUBJECT: Investment Policy Resolution

AGENDA DATE: November 18, 2008

PREPARED BY: Judith Hashem, Finance Director

APPROVED FOR AGENDA BY: Ralph G. Velez, City Manager



RECOMMENDATION: City Council is requested to take the following action:

- 1. Adopt the Resolution approving the Statement of Investment Policy for Fiscal Year 2008-09; and**
- 2. Accept the Investment Report for September 30, 2007 through September 30, 2008.**

FISCAL IMPACT: N/A

BACKGROUND INFORMATION: In accordance with the California Government Code, the City of Calexico shall annually approve a Statement of Investment Policy. This Resolution authorizes the Finance Department to invest idle cash funds in various types of investments that are fully collateralized or insured by the Federal Deposit Insurance Corporation and at varying maturity dates.

Attached you will find the Resolution approving the Statement of Investment Policy for Fiscal Year 2008-09 and the Investment Reports for the Fiscal Year September 30, 2007-June 30, 2008 and for first quarter ending September 30, 2008 for Fiscal Year 2008-09.

The Investment Committee met on October 31, 2008 to review and discuss investments and investment strategies. The Committee, comprised of Ralph Velez, Rodolfo Moreno, Julia Osuna, Eduardo Gutierrez and Judith Hashem (absent) determined, that given market uncertainty and volatility, no change in investments should be considered until the next quarter ending December 31, 2008.

Presently the City deposits funds mainly in the Local Agency Investment Fund (LAIF) with the State of California, a safer environment, as compared to investing with banks and other financial institutions, as well as the liquidity of LAIF as opposed to other types of investments.

Agenda Item No. ____

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RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO APPROVING STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2008-09.

WHEREAS, pursuant to Government Code Section 53646, the City Council of the City of Calexico shall annually approve a Statement of Investment Policy; and

WHEREAS, the annual Statement of Investment Policy of the City of Calexico is as follows:

City of Calexico (City) funds not required for immediate expenditure will be invested in compliance with the provisions of Government Code Section 53600-53683. Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. Investments will be made in a range of instruments and maturity dates to insure diversification and liquidity of assets in an emergency or when a large cash outlay is necessary.

The instruments of investment to be used are Certificates of Deposit, Local Agency Investment Fund, Treasury Bills and Notes, U.S. Governmental Agency Obligations, Repurchase Agreements and Savings Accounts. Deposits will be fully collateralized as required by Government Code Section 53652 or insured by the Federal Deposit Insurance Corporation and the "Contract for Deposit of Monies" will indicate the type of amount of collateral.

Investments in repurchase agreements or reverse purchase agreements shall not be made without the prior approval of the City Council and shall be subject to the provisions of Government Code Section 53601.

All Certificates of Deposit shall mature not later than one (1) year from the date of investment and Governmental Insurance shall mature not later than three (3) years from the date of investment.

No investment will be made pursuant to the provisions of Government Code Section 5360.11 in financial futures or financial option contracts without the prior approval of the City Council. Only a Primary Government Securities Dealer shall be used for the purchase of Agency Obligations.

Adhering to the provisions of this Statement of Investment Policy, the City Finance Director shall coordinate the investment of surplus funds with guidance and approval from the City Council.

A list of investments will be submitted to the City Council each quarter indicating type, purchase and maturity dates, rate, amount, fund and percentages.

A committee appointed by the City Manager shall meet not less than on a quarterly basis to review City investments, to appraise market conditions, and report to the City Council.

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1: The Annual Statement of Investment Policy for Fiscal Year 2008-2009 is hereby approved and the Finance Director is directed to follow this Statement of Investment Policy in investing City funds.

Passed, Approved and Adopted this 18th day of November, 2008.

Louis Fuentes, Mayor

Attest:

Lourdes Cordova, City Clerk

Approved as to Form:

Jennifer Lyon, City Attorney

State of California)
County of Imperial) ss
City of Calexico)

I, Lourdes Cordova, City Clerk for the City of Calexico do hereby certify that the foregoing Resolution No. _____ was adopted by the City Council in a regular session held on the 18th day of November 2008 by the following vote to-wit:

AYES:

NOES:

Absent:

Lourdes Cordova, City Clerk

City of Calexico
Investments
September 30, 2008

<u>CDs</u>	<u>Renewed/ Purchase</u>	<u>Current Value</u>	<u>PURCHASE PRICE</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
CD - 180 days					
Rabobank (VIB)	5/1/2008	103,235	100,000	11/1/2008	2.15%
CD - 360 days					
Sun Community Federal Credit Union (dividend checks sent monthly)	7/20/2008	95,609	94,950	7/20/2009	2.67%
Total CDs		198,844.00	\$ 194,950.00		
<u>Notes</u>					
UBS FINANCIAL SERVICES INC.					
Federal Farm Credit Bank Bond	11/29/2007	3,062,616	3,027,370	3/27/2009	4.52%
Total Notes		\$ 3,062,616.00	\$ 3,027,370.00		
Total Investments		\$ 3,261,460.00	\$ 3,222,320.00		



JOHN CHIANG
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	CALEXICO
Account Number	98-13-121

As of 10/15/2008, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2008.

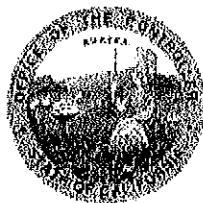
Earnings Ratio		.00007595384447805
Interest Rate		2.77%
Dollar Day Total	\$	2,939,169,593.08
Quarter End Principal Balance	\$	28,780,767.65
Quarterly Interest Earned	\$	223,241.23

City of Calexico

Investments

June 30, 2008

<u>CDs</u>	Renewed/ Purchase	Current Value	PURCHASE PRICE	Maturity Date	Interest Rate
CD - 180 days					
Rabobank (VIB)	5/1/2008	102,670	100,000	11/1/2008	2.15%
CD - 360 days					
Sun Community Federal Credit Union (dividend checks sent monthly)	7/20/2007	95,523	94,950	7/20/2008	4.32%
Total CDs		198,193	194,950		
<u>Notes</u>					
UBS FINANCIAL SERVICES INC					
Federal Farm Credit Bank Bond	11/29/2007	3,045,484	3,027,370	3/27/2009	4.52%
Total Notes		3,045,484	3,027,370		
Total Investments		\$ 3,243,677	\$ 3,222,320		



JOHN CHIANG
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name CALEXICO

Account Number 98-13-121

As of 07/15/2008, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2008.

Earnings Ratio		.00008483669448820
Interest Rate		3.11%
Dollar Day Total	\$	3,503,395,386.93
Quarter End Principal Balance	\$	36,383,551.17
Quarterly Interest Earned	\$	297,216.48

City of Calexico

Investments

March 31, 2008

<u>CDs</u>	CD/CUSIP #	Purchase Date	Value	Maturity Date	Interest Rate
Rabobank	371296270	11/1/2007	100,000.00	5/1/2008	4.50%
Sun Community Federal Credit Union CD	ID 14	7/20/2007	95,000.00	7/20/2008	4.315%
Total CDs			195,000.00		
Notes - UBS Financial Services, Inc.					
Federal Farm Credit Bank Bond	31331X4T6	11/29/2007	3,000,000.00	3/27/2009	4.55%
Total Notes			3,000,000.00		
Total Investments			\$ 3,195,000.00		



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LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	CALEXICO
Account Number	98-13-121

As of 04/15/2008, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2008.

Earnings Ratio		.00011414123654588
Interest Rate		4.18%
Dollar Day Total	\$	3,446,713,188.50
Quarter End Principal Balance	\$	37,990,139.06
Quarterly Interest Earned	\$	393,412.11

City of Calexico

Investments

December 31, 2007

<u>CDs</u>	CD/CUSIP #	Purchase Date	Value	Maturity Date	Interest Rate
Rabobank	371296270	11/1/2007	100,000.00	5/1/2008	4.50%
Sun Community Federal Credit Union CD	ID 14	7/20/2007	95,000.00	7/20/2008	4.32%
Total CDs			195,000.00		
<u>Notes - UBS Financial Services, Inc.</u>					
Federal Farm Credit Bank Bond	31331X4T6	11/29/2007	3,000,000.00	3/27/2009	4.55%
Federal National Mortgage Assn.	31359MXP3	5/18/2007	500,000.00	2/1/2008	5.23%
Federal National Mortgage Assn.	3133XASMO	2/15/2005	250,000.00	3/14/2008	4.02%
subtotal			3,750,000.00		
<u>Notes - Brookstreet Securities Corporation</u>					
Federal Home Loan Bank	3133XJV96	5/2/2007	1,000,000.00	2/12/2008	5.13%
Federal Home Loan Mortgage Corp.	3134A4ZUI	5/7/2007	750,000.00	2/21/2008	4.63%
subtotal			1,750,000.00		
Total Notes			5,500,000.00		
Total Investments			\$ 5,695,000.00		



JOHN CHIANG
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	CALEXICO
Account Number	98-13-121

As of 01/15/2008, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2007.

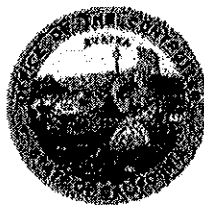
Earnings Ratio		.00013544408962064
Interest Rate		4.96%
Dollar Day Total	\$	3,290,480,529.54
Quarter End Principal Balance	\$	36,494,462.92
Quarterly Interest Earned	\$	445,676.14

City of Calexico

Investments

September 30, 2007

CDs	CD/CUSIP #	Purchase Date	Value	Maturity Date	Interest Rate
Rabobank CD	0371296270	5/1/2007	100,000.00	11/1/2007	5.00%
Sun Community Federal Credit Union CD	ID 14	7/20/2007	95,000.00	7/20/2008	4.315%
Total CDs			195,000.00		
Notes - UBS Financial Services, Inc.					
Federal National Mortgage Assn.	3136E7M11	5/1/2007	565,000.00	11/23/2007	5.213%
Federal Home Loan Bank	3133XBRE7	5/1/2007	1,400,000.00	11/23/2007	5.244%
Federal Home Loan Mortgage Corp	3128X4BB6	5/1/2007	750,000.00	11/25/2007	5.244%
Federal National Mortgage Assn.	31359MXP3	5/18/2007	500,000.00	2/1/2008	5.231%
Federal National Mortgage Assn.	3136F7TA5	1/25/2006	250,000.00	2/22/2008	5.000%
Federal Home Loan Bank	3133XASMO	2/15/2005	250,000.00	3/14/2008	4.020%
			3,715,000.00		
Notes - Brookstreet Securities Corporation					
Federal Home Loan Bank	3133XJV96	5/2/2007	1,000,000.00	2/12/2008	5.125%
Federal Home Loan Mortgage Corp.	3134A4ZUI	5/7/2007	750,000.00	2/21/2008	4.625%
			1,750,000.00		
Total Notes			5,465,000.00		
Total Investments			\$ 5,660,000.00		



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California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	CALEXICO
Account Number	98-13-121

As of 10/15/2007, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2007.

Earnings Ratio		.00014311664742946
Interest Rate		5.24%
Dollar Day Total	\$	3,448,764,728.88
Quarter End Principal Balance	\$	36,400,887.27
Quarterly Interest Earned	\$	493,575.65

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